(c) if not. how can Tata Group of Companies be in the Board of Directors and make VSNL's decision to invest Rs. 1200 crore in Tata Group of Companies ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) As on 30-6-2002 Tata Group of Companies have 44.99% stake in VSNL.

(b) As per Shareholders Agreement, the strategic partner having 25% share holding could appoint four full-time directors and two independent part-time directors and may take the decision in certain cases.

(c) Does not arise in view (b) above.

Hike in FDI CAP

175. SHRI MOOLCHAND MEENA : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government are considering hike in Foreign Direct Investment cap applicable to the telecom sector to 74 per cent from the existing 49 per cent.

(b) if so. whether after discussion with the various Ministries, any final decision has been taken in this regard; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMTTRA MAHAJAN): (a) to (c) As per the present Foreign Direct Investment (FDI) Policy of the Government, FDI ceiling in the various sub-sectors of telecom varies from 49% to 100%. There is no FDI cap in the case of telecom equipment manufacturing, telecom services like Internet (without gateways). Infrastructure Providers (IP-I), E-mail, Voice mail and IT enabled services.FDI cap of 74% is applicable in the case of Internet (with gateways). Infrastructure Providers (IP-II) providing end-to-end bandwidth and radio

paging service and 49% FDI cap is there in the case of basic, cellular mobile. V-Sat, National Long Distance. International Long Distance and Global Mobile Personal Communications services, FDI cap in telecom sector is reviewed by the Government from time to time depending upon the investment needs, security considerations etc. and the same is notified after following the procedures laid down for such review.

Setting up of telephone exchanges

†176. SHRI MUNAVVAR HASAN : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state :

(a) the number as well as the location of telephone exchanges set up in Muzaffarnagar, Saharanpur, Ghaziabad, Azamgarh and Mau districts of Uttar Pradesh between 1st January, 1998 and 30th June. 2002.

(b) the cost incurred on setting up of each exchange separately:

(c) the number of exchanges out of the exchanges set up upto 30th June. 2002. which have started functioning together with the capacity of each of the exchange: and

(d) the places in the above districts where exchanges would be set up during the next three years together with the capacity of such exchanges ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN) (a) to (c) Details of exchanges set up in Muzaffarnagar. Saharanpur. Ghaziabad. Azamgarh and Mau districts of Uttar Pradesh between 1st January, 1998 and 30th June, 2002 with capacity and cost incurred are given in the statement. *(See* below).

(d) The Plan for setting up of exchanges is formulated on year-to-year basis. The details of the places and capacity of exchanges to be set up in the year 2002-03 are given in Statement-II.

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†Original Notice of the Question was received in Hindi.